GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1635
ANSWERED ON:23.08.2007
SUBSIDY ON PETROLEUM PRODUCTS
Patil Smt. Rupatai Diliprao Nilangekar;Tripathi Shri Chandramani

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether private petroleum companies of the country have demanded transparency in the system of subsidy given on petroleum products;

(b) if so, the details thereof;

(c) the issues relating to the said subsidy on which petroleum companies have expressed and their objection; and

(d) the details of action taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)to(d): The private sector oil companies have demanded subsidy from Government for the losses they have sustained on sales of petrol and diesel. However, since they are not subject to pricing restrictions by the Government, there can be no compensation for marketing of petrol and diesel. Private oil companies are free to take their pricing decisions on commercial considerations. It may be added that all companies, including PSUs namely ONGC, MRPL and NRL who have been granted authorization to market petrol and diesel in terms of the Government Resolution of 8th March, 2002 are not covered under the subsidy sharing mechanism.